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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Equal Access and Interconnection Obligations Pertaining to Commerical Radio Services	)	CC Docket No. 94-54 RM-8012

COMMENTS OF NEW PAR

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SUMMARY

New Par urges the Commission to leave decisions regarding subscriber choice of IXCs to the competitive CMRS marketplace so that the consumers who ultimately will pay the price of equal access have a voice in its implementation. Competition among CMRS providers will extend to subscribers the lowest prices through bundled CMRS and interexchange services. CMRS providers will pass on to their subscribers the savings obtained through the purchase of long distance services in bulk from interexchange carriers.

If the Commission does mandate equal access, it should require that all cellular-like CMRS providers, including resellers, offer the same form of equal access. It should also clarify that cellular licensees that have previously ascertained and given effect to the IXC preferences of their customers are not required to repeat the process. Further, if the Commission mandates equal access, it should allow at least a six-month phase-in period, commencing from the carrier's receipt of a *bona fide* request for equal access, for compliance with whatever rules are adopted. MTAs should be the basic equal access service area, yet cellular carriers should be permitted to extend MTA calling areas to include all contiguous cellular service areas and any equal access regions previously established under the MFJ. Carriers should be allowed to fully recover the costs of equal access through contracts with IXCs. IXCs should be given the

information necessary to bill and collect for their services, but should not be entitled to billing and collection services from CMRS carriers.

New Par also urges the Commission to preempt state policies and regulations that conflict with federal polices regarding the interconnection of CMRS providers with the PSTN. However, the Commission should leave matters of connection between CMRS providers to negotiated contracts between the parties.

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COMMENTS OF NEW PAR

New Par respectfully submits these comments in response to the Commission's *Notice of Proposed Rule Making and Notice of Inquiry* ("NPRM") in the above-captioned proceeding.[1] New Par, through partnerships or subsidiaries, is the nonwireline cellular service provider in 22 MSAs and RSAs in Michigan and Ohio, including five of the nation's 40 largest MSAs. Accordingly, New Par has a direct interest in the outcome of this rule making and its effect on New Par's cellular operations.

I. EQUAL ACCESS

New Par is in a distinctly advantageous position to comment on the implementation of equal access requirements for cellular carriers. A majority of New Par's Ohio cellular systems were originally owned or controlled by Cellular Communications, Inc. ("CCI"). In 1991 CCI formed a joint venture (New Par)

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[1] By Order of the Acting Chief of the Common Carrier Bureau, released August 11, 1994, comments in this rule making are due September 12, 1994.

with PacTel Corporation's Ohio and Michigan cellular markets. PacTel was then a subsidiary of Pacific Telesis Group, one of the seven Regional Bell Operating Companies ("BOCs"), and its markets had already been subject to the equal access provisions of the Modification of Final Judgment ("MFJ"). Upon formation of the joint venture the former CCI markets became subject as well.

Following the recent spin-off of PacTel Corporation from Pacific Telesis Group into a separate publicly traded corporation (after which PacTel was named AirTouch Communications), New Par is no longer required under the MFJ to offer equal access to interexchange carriers ("IXCs"). Nevertheless, New Par continues to offer its subscribers their choice of IXC. Thus, New Par has experience in providing cellular service (1) free from any equal access obligations, (2) while fully subject to the MFJ's equal access provisions, (3) and by voluntarily offering IXC choice to its subscribers.

A. Mandatory Equal Access Obligations Are Not Warranted on Cellular or Other CMRS Providers.

New Par opposes the Commission's tentative proposal to impose equal access on cellular providers. Despite relief from its MFJ obligations, New Par continues to honor the customer IXC choices made during its adherence to the MFJ's equal access provisions, including both the balloting and pre-subscription procedures conducted upon conversion of its systems to equal access as well as the IXC selections subsequently made at the time of new subscriber enrollment.

Moreover, New Par has continued to offer all new customers the ability to choose among available IXCs when subscribing for cellular service even though it is no longer subject to the MFJ's mandatory equal access obligations.

New Par's continued provision of consumer choice is guided by the dictates of a competitive marketplace. As the competition in mobile services increases with the addition of Personal Communications Services ("PCS"), Enhanced Specialized Mobile Radio ("ESMR"), and others, commercial mobile radio service ("CMRS") providers will compete for subscribers on all terms and conditions that may be material to a subscriber's decision to select a particular CMRS provider. This will include offering subscribers lower prices for long distance services as well as offering subscribers their choice of IXCs. Thus, providing subscribers the ability to choose their preferred IXC will continue to be a factor in competing for subscribers. Just as New Par has determined to retain customer choice for IXC selection and to continue honoring customer selections made while it was subject to the MFJ, the ever increasing competitive mobile services market will continue to meet customer demands for IXC choice. The Commission, however, should leave it for the marketplace to decide whether, to what extent, and on what terms and conditions there should be subscriber choice of long distance service providers rather than impose uneconomic and unnecessary requirements on existing and developing CMRS systems.

At the very least, facilities-based IXCs will compete to provide long distance services to the multiple CMRS providers, who in turn can offer lower rates to their subscribers through their ability to purchase bulk (lower) rates from such IXCs. In fact, this is what many non-BOC cellular carriers do today through various offerings designed to increase customer use of cellular phones for long distance calling. Thus, even where there is insufficient demand to warrant implementation of direct customer IXC choice, the sheer number of CMRS providers will create the opportunity and incentive to pass on to end users the benefits from competitive IXC offerings. Unlike mandatory equal access, however, this would not impose needless costs and paperwork onto what will surely become an intimidating array of telecommunications decisions necessary just for a consumer to subscribe to wireless telephone service.

Previously, the Commission and the courts have mandated equal access only where the local exchange provider had some bottleneck control or, as in the recent AT&T-McCaw merger, where the local exchange provider also will have dominant market power in the long distance market. Neither will be the case for CMRS, however.[2] With as many as 10 or more broadband CMRS facilities-

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[2] CMRS providers lack control over monopoly bottleneck facilities. See Implementation of Sections 3(n) and 332 of the Communications Act and Regulatory Treatment of Mobile Services, Second Report and Order, 9 F.C.C. Rcd. 1411, 1499 (1994).

based providers in any market (including cellular, PCS, SMR, and Mobile Satellite Service ("MSS")) no single carrier will have market power. Indeed, even with cellular today, there are twice as many service providers (not including resellers) as there were landline carriers when the Commission adopted its LEC equal access rules. Moreover, no cellular carrier has control over any bottleneck facilities and no cellular carrier provides services that have penetrated the marketplace to the extent that landline phones have.[3] Consequently, there is no need for the Commission to mandate the provision of equal access or its procedures. Such a mandate would only increase the cost of service to those subscribers for whom interexchange mobile calling is a rarity or the choice of an IXC is an unimportant factor.

B. Regulatory Parity Requires That Any Cellular Equal Access Obligations Be Imposed on All Cellular-Like CMRS Providers.

Despite the lack of factors that led to the imposition of equal access on the landline industry and the BOCs generally, and despite its adverse effects on CMRS providers' ability to pass on bulk purchase savings to their subscribers, if the Commission does determine that some form of mandatory cellular customer

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[3] Whereas the fixed telephone line penetration rate per household in the U.S. has exceeded 94% (according to the Commission's March 1994 Report on Telephone Subscribership in the U.S.), the cellular penetration rate currently stands at about 7.5% (according to CTIA's June 1994 Mid-Year Data Survey on cellular telephone usage).

choice of IXCs is warranted, it must impose the same requirement on all cellular-like CMRS providers. The disparate treatment of similarly situated mobile service providers, including resellers and broadband PCS and ESMR licensees, would be inconsistent with Congressional intent and the Commission's goals stated in the regulatory parity proceedings.[4] In fact, New Par is currently competing against Nextel's SMR operations in Ohio and Michigan. Once Nextel completes its plans to convert to digital ESMR transmissions, it will offer a service that, according to Nextel's claims, will be functionally and commercially the equivalent of New Par's cellular service. Accordingly, there would be no rational basis for the Commission to require equal access from cellular providers but not from the ESMR industry.

Additionally, within the time period by which any rules are adopted in this proceeding, broadband PCS is expected to be near operational.[5] There would be no public interest served in obligating one competitive CMRS service to offer equal access while the others -- which would comprise as much as 80% of the

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4 See Implementation of Sections 3(n) and 332 of the Communications Act and Regulatory Treatment of Mobile Services, Further Notice of Proposed Rule Making, 9 F.C.C. Rcd. 2863 (1994).

5 In fact, as a start-up industry PCS would not have to undertake the excessive costs of converting to equal access after years of providing integrated service on a non-equal access basis. Thus, it would be more efficient to impose equal access on PCS and any other new services at their initiation rather than to wait until such industries achieve cellular's current level of market penetration.

available service providers -- were free of any such requirements. If the Commission determines that customer choice of IXCs warrants the imposition of mandated cellular equal access notwithstanding its adverse effects on the industry and subscribers, any failure to impose similar obligations on other cellular-like CMRS providers, including resellers, would defeat whatever purpose the Commission had in assuring CMRS customer selection of an IXC. Just as Congress has directed -- and the Commission has tentatively concluded -- to treat all CMRS carriers similarly on technical and other regulatory matters,[6] the Commission must do so on issues relating to IXC access and customer choice.

C. Equal Access Should Not Be Required at Call Handoffs or for Call Delivery.

If the Commission mandates equal access for CMRS providers, it should limit IXC involvement to calls that transcend equal access service areas only at the time the calls are initiated. In the mobile services environment, it is not uncommon for a call's initial origination and termination points to be within the same local calling area and, due to the movement of one or both parties, have the call become an interexchange call during its course. Currently, the cellular industry lacks the technology to provide equal access for such intersystem handoffs, as reflected in the record before the MFJ Court. In fact, that Court has

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[6] 9 F.C.C. Rcd. 2863.

ordered that the BOCs need not provide equal access for such handoffs until at least September 1995.[7] Because of the short-term nature of the MFJ Court's orders, however, the BOCs have repeatedly needed to apply to the Court and re-state the case for equal access relief on intersystem handoffs. Rather than burdening its own Staff with such repeated requests, the Commission should instead determine that equal access obligations will not apply to calls that traverse equal access calling areas only because they are handed off in progress to an adjacent system.

Further, no equal access obligations should apply to the provision of service to roamers or to the provision of call forwarding, automatic call delivery, and other enhanced CMRS features. As with equal access generally, the marketplace should determine the circumstances under which CMRS providers will provide equal access for these services. With respect to roamers, the identity of the roamer's preferred IXC will not always be known. Moreover, even if it is known that IXC may not be available in the market in which the end user is roaming. In addition, allocation of calls to different IXCs on a per-call basis is

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[7] See United States v. Western Electric Co., Civ. No. 82-0192, released Nov. 10, 1992. The basis for this and prior orders is that the technology does not yet exist to enable a cellular carrier to handoff a call over a customer-selected IXC's facilities -- in lieu of dedicated handoff trunks now used -- in sufficient time to avoid the cellular system "dropping" the call.

unnecessarily complicated and costly to implement (and in fact has not even been required of the BOC-affiliated cellular companies under the MFJ). Thus, in these cases the calls must be carried by the CMRS provider's "default" IXC. The same would be true in a "calling party pays" scenario where the preferred IXC of the calling party will not be discernible by the CMRS provider (unless the call is between two subscribers from the same CMRS system).

D. CMRS Providers Should Be Given at Least Six Months to Convert to Equal Access.

To the extent that the Commission imposes equal access on CMRS providers, New Par supports the Commission's conclusion that licensees should be entitled to a phase-in implementation period for their equal access obligations. This phase-in period should be a reasonable period of time not less than six months.[8] Six months is the minimum period that carriers would need (1) to make the necessary system hardware and software modifications to enable them to route calls placed from their systems to preselected IXCs and (2) to execute the consumer notification and IXC selection procedures necessary to implement equal access. The six-month period should begin for each CMRS licensee with the first *bona fide* request for equal access submitted by a qualified IXC. The Commission should define a "qualified IXC" as one currently offering

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[8] See NPRM at ¶ 54.

interexchange service -- both intrastate and interstate -- from a point of presence within the cellular licensee's market area or one that can reasonably demonstrate that it will be able to offer such service within six months.

E. Balloting and Allocation Should Not Be Required for Carriers That Have Already Offered Customers Their Choice of IXCs.

The Commission tentatively concluded that it should impose presubscription and balloting rules on cellular providers.[9] It is unnecessary, however, for the Commission to adopt its entire proposal, especially the requirement that all existing and new customers be balloted.[10] The Commission's balloting and allocation plan for ascertaining subscribers' IXC choices in equal access exchanges is a costly and time-consuming exercise. For instance, it cost more than $1 million to convert New Par's markets to equal access under these procedures when they became subject to the MFJ. Moreover, this does not include the cost of additional MTSOs that New Par needed to operate in reconfigured calling areas; an MTSO with sufficient capacity to operate in a metropolitan area or an integrated, multiple-market system will cost approximately $2 million to $4 million to purchase and install. Further, as the Commission has recognized, the costs of imposing equal access will eventually be

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9 NPRM at ¶ 92.

10 NPRM at ¶ 88.

passed along to customers.[11] Thus, it is the consumer who will be saddled with this needless expense.

Therefore, the Commission should hold that its equal access rules will not result in any carrier having to conduct equal access balloting if the carrier has already provided its subscribers the opportunity to select their preferred IXC through balloting or initial sign-up procedures. It would be an exercise in futility, not to mention a confusing and frustrating experience for subscribers that have already registered their IXC choice through balloting or notice procedures at sign-up, for New Par to re-commence any additional IXC selection procedures. Thus, if equal access is mandated, New Par (and other CMRS providers that have heretofore provided equal access) should simply have to continue to honor the pre-existing IXC choices made by subscribers. Further, sales representatives would inquire of all new subscribers which long distance carrier they prefer or provide for such a question on the customer's subscription application (which New Par currently does). A listing of all available IXCs would then be provided at the subscriber's request (also which New Par currently does). If a subscriber has no preference, the CMRS provider should be permitted to provide its own

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[11] See NPRM at ¶ 95. Although the Commission states that equal access costs could be recovered from charges levied on either participating IXCs or customers, even if such charges were levied directly on IXCs the costs ultimately would be borne indirectly by customers.

integrated cellular and interexchange service to the subscriber.[12] In addition, as set forth below in Section G, the same should be true where a subscriber affirmatively selects the CMRS carrier to provide its interexchange service.

F. The Commission Should Not Impose Arbitrary Equal Access Service Areas on All CMRS Providers.

New Par supports the Commission's recommendation for a flexible policy in defining equal access service areas.[13] The Commission has created a diverse set of service areas among the various mobile services, from cellular MSAs and RSAs to the much larger MTAs of PCS and the super-regional ESMR operations. The express intent of Congress to regulate all similar mobile services alike mandates flexibility in determining local service areas as they pertain to equal access obligations.

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12 In the landline context, allocation of non-preselected customers was warranted since (1) the BOCs could not offer long distance service and (2) default to AT&T would have enabled AT&T to reap the benefits of its past anti-competitive behavior. See Investigation of Access and Divestiture Related Tariffs, 101 F.C.C.2d 911 (1985). Without any long distance restriction or finding of anti-competitive behavior by a CMRS provider, an allocation scheme is unwarranted, provided customers are offered a meaningful opportunity to select an IXC if they choose to do so. Moreover, unlike in balloting, where subscribers often do not avail themselves of the IXC selection process, when signing up for CMRS service in the first instance choosing an IXC requires little effort beyond that required to subscribe to the underlying service. The natural inference of a subscriber declining to choose an IXC is that it chooses to purchase both the underlying wireless service and the long distance service from the same provider.

13 See NPRM at 66-68.

Equal access service areas cannot be imposed "similarly" on all types of providers because of the manner in which the different services are licensed. PCS licenses will be issued on a BTA/MTA basis, and therefore PCS operations will easily fit within an MTA calling area scheme. SMR and MSS are not limited to any particular service area and can also be designed fairly easily to fit within an MTA calling area scheme. In contrast, cellular would suffer from the disadvantage of having smaller equal access service areas than PCS or ESMR because its existing calling territories were not designed to coincide with MTA boundaries. Instead, a cellular licensee's current markets would have to be divided up to concur with MTA equal access areas.

Consequently, since MTAs are the largest of the available areas and therefore will impose the fewest burdens on CMRS providers generally, the Commission should establish MTAs as the basic equal access CMRS service area. Strict reliance on any arbitrary geographical boundary, however, will seriously disadvantage customers and carriers where systems were licensed and designed along different boundaries. In particular, MTA boundaries cut through MSA and RSA boundaries, let alone integrated regional systems comprised of multiple MSAs and RSAs. A rigid application of MTA boundaries would therefore require cellular licensees to sub-divide their service territories, often including the need to add MTSOs and trunking facilities, and to change the calling patterns

their subscribers have enjoyed for years. Thus, any equal access rules must clearly authorize existing cellular licensees to consolidate adjacent service areas of existing systems even if they go beyond an MTA boundary. This would enable existing licensees to continue carrying traffic throughout the regions wherein they currently offer expanded calling services.

Under such a policy, the requirement to deliver a call to the subscriber's chosen IXC would apply only when the call terminates in a territory outside the MTA in which the call originated and outside a contiguous area in which the originating carrier is licensed. Such a contiguous area should encompass adjacent markets licensed to the same entity or affiliated entities.[14] Without this policy existing carriers and customers will be significantly disadvantaged.[15]

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[14] Affiliation should be determined using the Commission's traditional mobile service standard of 5% or more common ownership. See 47 C.F.R. § 22.13 (a)(1)(ii).

[15] There is no need for the Commission to create or adopt artificial boundaries for equal access administration. Local Access and Transport Areas ("LATAs") were developed by the MFJ Court for the purpose of eliminating a monopoly situation to effect interexchange competition in an industry where AT&T had developed bottleneck control of access to the public switched telephone network ("PSTN") in large areas. Without the creation of LATAs, there would have been equal access only for calls that crossed largely between eight areas (e.g., the seven BOC territories and independent telco territories). In CMRS, with two cellular carriers and several PCS, ESMR, and other potential licensees in each service area, there is no possibility for any CMRS provider to control prices or exclude competitors. Consequently, competitive forces within the marketplace will determine prices and the conditions of service. There is no need to introduce artificial territorial

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Regardless of any boundaries it ultimately adopts, the Commission must grandfather those service areas in which cellular providers were granted waivers under the MFJ of the equal access and interLATA calling restrictions. Carriers and customers have for many years grown accustomed to these calling areas and requiring carriers to break them up according to artificial boundaries will waste money and time as well as confuse and annoy customers, all without any real benefit to consumers or competition. For instance, New Par provides equal access calling from three separate regions in Ohio and Michigan that were developed under MFJ waiver procedures. These regional systems would be divided among 13 different BTAs and four MTAs, each of which would be significantly different from New Par's three equal access regions. Without specific authorization in any equal access rules for New Par's existing operations, as well as similar operations of BOC-affiliated cellular systems, existing systems would have to further subdivide or reconfigure their equal access calling areas

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[15](...continued)
boundaries that will bring with them operational inefficiencies that will ultimately increase the cost of mobile services to the public. Moreover, just as LATAs were designed according to the manner in which local exchanges were already served by the Bell System, CMRS service areas also should be based upon existing service networks. Finally, arbitrary boundaries will put pressure on the Commission to review waiver requests to expand such boundaries (as the MFJ Court has often been called on to do) and delay CMRS providers' ability to expand such services as warranted.

despite findings by the MFJ Court that these areas comprise "communities of interests."

G. CMRS Providers Should Be Authorized to Offer Integrated Cellular/Long Distance Service Packages.

If it imposes some sort of equal access obligations on CMRS providers, the Commission should make it clear that CMRS licensees not otherwise excluded from the provision of interexchange services (e.g., as BOCs are under the MFJ) are allowed to furnish integrated cellular and interexchange services.

As the Commission recognizes, there are inherent cost efficiencies that will arise from such bundling[16] and there is no reason that subscribers should not benefit from these as well as the lower prices that will result from vigorous competition among all participating IXCs. (Indeed, as stated earlier, these resulting benefits alleviate the need to use equal access as a method to introduce long distance competition to the CMRS marketplace.)

The Commission has already permitted the bundling of cellular CPE and service, recognizing that such bundling will make cellular service more affordable to end users.[17] The same rationale applies to CMRS providers offering local and long distance service, as most non-BOC CMRS providers do today. The ability

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16 NPRM at ¶ 41.

17 Bundling of Cellular Customer Premises Equipment and Cellular Service, 7 F.C.C. Rcd. 4028, 4030-31 (1992).

of CMRS providers to bundle and collectively market these services will therefore benefit subscribers without adversely affecting competition.

CMRS providers should be able to compete for equal access selection by subscribers in their own markets on the same basis as other IXCs. This would include the ability to affirmatively market their long distance services through such means as bill inserts and to market such services at sales centers to prospective subscribers. Further, IXCs should not be entitled to a CMRS provider's customer list. Rather, as has been the case under the MFJ, if equal access is imposed, CMRS licensees should be able to satisfy their obligations to enable competing IXCs to market service directly to prospective CMRS subscribers during balloting procedures by providing customer identification data to a third-party clearinghouse which could then offer marketing opportunities to IXCs through bill inserts.

H. Carriers Should Be Entitled Fully to Recover Their Equal Access Costs.

The Commission's tentative conclusion that CMRS providers should be able to recover the reasonable costs of equal access conversion is appropriate, but does not go far enough.[18] In addition to the extensive costs of hardware and software necessary to implement equal access and the costs of balloting and

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[18] See NPRM at ¶ 95.

allocation, there are discernible incremental recurring costs involved in the operation of equal access.[19] CMRS providers should be able to recover these reasonable incremental recurring operating costs attributable to the provision of equal access.

The Commission also seeks comment regarding the method by which costs of service should be recovered.[20] As the Commission noted at the time it removed the tariff requirements for CMRS providers, the Commission's general powers under the Communications Act and the complaint procedures in Section 208 provide adequate safeguards to prevent unfair practices and unreasonable rates.[21] Consequently, New Par suggests that charges for the expenses to implement and maintain equal access can best be handled through contracts between IXCs and CMRS providers. Such contracts could contain a "most

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19 Among these are the ongoing costs of customer education, the post-balloting ascertainment of IXC preferences, and the implementation of changes at customer request. See NPRM at ¶ 40. Additionally, there are the costs of maintaining separate equal access trunks between the MTSO and PSTN, costs of maintaining the separate software-defined routing tables and translations, and costs associated with direct connection to the CMRS provider's network where provided to IXCs.

20 NPRM at ¶ 95.

21 See Implementation of Sections 3(n) and 332 of the Communications Act and Regulatory Treatment of Mobile Services, Second Report and Order, 9 F.C.C. Rcd. 1411, 1478-79 (1994).

favored nation" clause guaranteeing that no IXC will receive rates or terms more favorable than any other.

I. IXCs Should Have Only Limited Access to Data Necessary to Bill Their Customers Directly.

The Commission seeks comment on the provision of information needed by IXCs to bill their customers.[22] CMRS providers may be the sole source of certain information required for the proper completion and billing of an interexchange call. The same information, however, specifically automatic number identification and billing name and address data, is an important proprietary resource. Maintaining confidentiality of this information is vital to the CMRS provider's business operations as well as the well-being and privacy of its subscribers. It is easy to see how an IXC affiliated with a competing CMRS provider could gain legitimate access to a carrier's subscriber list but use it for non-IXC related purposes (e.g., competing with the underlying CMRS carrier by soliciting the CMRS customers for its own CMRS business in that market). Therefore, to the extent that this information must be made available to IXCs that have a legitimate need for such data, only that information absolutely necessary for them to bill their existing subscribers should be released and the Commission

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[22] NPRM at ¶ 99.

should require that such data be used solely for IXC call completion, billing, and collection.

To the extent this information is made available to IXCs, however, there is no basis for requiring a CMRS provider to offer billing and collection services to IXCs. The Commission has deregulated billing and collection services and has determined that the billing and collection services market is sufficiently subject to competition.[23] Accordingly, LECs are no longer required to offer billing and collection services to IXCs and there would be no rational basis to impose such an obligation on CMRS providers.

II. INTERCONNECTION

The Commission seeks comment on the viability of the current system of establishing interconnection between mobile services and landline exchange carriers through contracts negotiated on a good faith basis.[24] The Commission has taken the position that because cellular carriers are engaged in the provision of local, intrastate, exchange telephone service, compensation arrangements between cellular carriers and LECs for intrastate services are largely matters of

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23 See Detariffing of Billing and Collection Services, 102 F.C.C.2d 1150, 1171 (1986).

24 NPRM at ¶ 113.

State, not federal, concern.[25] Yet, the Commission can no longer defer such matters so routinely to the States. Indeed, MTA boundaries, the basis on which it plans to license broadband PCS and establish equal access calling areas for all CMRS providers, run across State borders. With the advent of ESMR and PCS to the CMRS arena, the Commission expects significantly increased wireless services and lower prices. Rather than wait for the development of interconnection difficulties that will hinder the rapid deployment of new CMRS technologies, the Commission should take action now to clarify that, with respect to the basic principles of CMRS interconnection, federal policy must preempt all inconsistent State regulations, including

Additionally, the Commission should reiterate its preemption of State policies or regulations that impede or interfere with federal interconnection policies. Such preemption should provide the following:

1. Interconnection must be arranged through contracts negotiated in good faith between and among LECs and CMRS providers.
2. These contracts should contain "most favored nation" provisions to ensure that LEC's common carrier obligations are satisfied and that

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[25] The Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services, 59 Rad. Reg. 2d 1275, 1284-85 (1986)